

Message Text

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PAGE 01 BRASIL 10482 231106Z
ACTION NEA-10

INFO OCT-01 ARA-14 ISO-00 CIAE-00 DODE-00 PM-05 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02
SS-15 USIA-15 EB-08 AID-05 OMB-01 COME-00 TRSE-00
DOTE-00 /096 W

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R 222040Z DEC 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 5319
INFO AMEMBASSY BONN
AMEMBASSY CAIRO
AMCONSUL RIO DE JANEIRO
AMCONSOL SAO PAULO

UNCLAS BRASILIA 10482

E.O. 11652: N/A
TAGS: EINV, EIND, EG, BR
SUBJECT: POSSIBLE EGYPTIAN-BRAZILIAN JOINT VENTURE FOR AUTOMOTIVE
ASSEMBLY

REF: CAIRO 20953 NOTAL

1. ECONOFF RECENTLY CALLED ON EGYPTIAN EMBASSY COMMERCIAL COUNSELOR
YAHIA ABBDOU EL-GAMAL TO OBTAIN FURTHER INFORMATION REGARDING POSSIBL
E
AL NASR AUTOMITIVE CO.-VOLKSWAGEN DO BRASIL JOINT VENTURE TO
ASSEMBLE VOLKSWAGEN "BETTLE" IN EGYPT (REFTEL). EGYPTIAN EMBASSY
COMMERCIAL COUNSELOR EMPHASIZED THAT NO REPEAT NO FINAL AGREEMENT HAS
BEEN REACHED WITH VOLKSWAGEN DO BRASIL, AND THAT EGYPT WAS TALKING
TO OTHER BRAZILIAN VEHICLE MANUFACTURER (BRAZILIAN SUBSID-
IARIES OF FORD AND MASSEY-FERGUSON) ABOUT SIMILAR OR COMPLEMENTARY
JOINT VENTURE PROJECTS. HE DID SAY, HOWEVER, THAT EGYPT WAS INTERESTE
D
IN THE ASSEMBLY OF ONLY SMALL PASSENGER VEHICLE DUE TO THE VEHICULAR
CONGESTION IN MAJOR EGYPTIAN CITIES.

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3. ACCORDING TO EL-GAMAL, DR. ABEL GAZARINE OF AL NASR AUTOMITIVE
CO. AND MR. IBRAHIM GHARKAS OF THE GENERAL ORGANIZATION FOR
INDUSTRIALIZATION RECENTLY VISITED BRAZIL TO ATTEND THE "BRAZIL
EXPORT 77" TRADE FAIR HELD IN SAO PAULO. WHILE IN BRAZIL THEY
VISITED THE VOLKSWAGEN DO BRASIL PLANTS AS WELL AS FORD AND
MASSEY-FERGUSON FACILITIES. EL-GAMAL AND THE GOE OFFICIALS

ALSO CALLED ON GOB MINISTER OF INDUSTRY AND COMMERCE CALMON DE SA TO DISCUSS VEHICLE ASSEMBLY JOINT VENTURE PROJECTS. THESE VISITS RESULTED IN A DECEMBER 7 JORNAL DO BRASIL (RIO DE JANEIRO) ARTICLE WHICH STATED THAT VOLKSWAGEN DO BRASIL HAD PRESENTED A PROPOSAL TO ASSEMBLE 10-20,000 "BETTEL" AUTOMOBILES PER YEAR TO THE GENERRAL ORGANIZATION FOR INDUSTRIALIZATION; EL-GAMAL DESCRIBED THIS ARTICLE AS "PREMATURE." ACCORDING TO HIM, A DELEGATION FROM VOLKSWAGEN DO BRASIL WILL VISIT CAIRO IN MID-JANUARY, 1978, FOR FURTHER DISCUSSIONS WITH THE GOE.

3. COMMENT: VOLKSWAGEN DO BRASIL IS BECOMING INCREASINGLY ACTIVE NOT ONLY IN EXPORT SALES, BUT ALSO IN THE ESTABLISHMENT OF ASSEMBLY OPERATION IN THIRD COUNTRIES. MAJOR VOLKSWAGEN DO BRAZIL SALES HAVE BEEN MADE TO ALGERIA AND WEST AFRICA, AND IRAQ IS DISCUSSING THE POSSIBILITY OF INSTALLING AS ASSEMBLY PLANT. VOLKSWAGEN DO BRAZIL MAY BE EXPECTED TO BECOME AN EVEN STRONGER FORCE IN LDC MARKETS BECAUSE IT IS NOW THE ONLY LARGE PRODUCER OF THE "BETTLE" MODEL, WHICH STILL MAINTAINS MARKET APPEAL IN MAY LDCS. END COMMENT.
JOHNSON

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
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Disposition Remarks:
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